

**Sprint**

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**EX PARTE**

**RECEIVED**

February 11, 1999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary - Federal Communications Commission  
The Portals, 445 Twelfth St., SW  
Washington, D.C., 20554

RE: CC Docket No. 99-35 - In the Matter of Long-Term Number Portability Tariff  
Filings of Sprint Local Telephone Companies

Dear Ms. Salas,

Yesterday, representatives of Sprint met with members of the Competitive Pricing Division of the Common Carrier Bureau of the FCC with regard to the above referenced matter. Representing Sprint were Rod Thompson, Sandy Williams, and myself. The Competitive Pricing Division was represented by Jay Atkinson, Chris Barnekov, John Scott, Janet Sievert, and Josephine Simmons. The purpose of the meeting was to discuss Sprint's Local Number Portability (LNP) tariff and the costs underlying the tariff rates.

In the meeting, we discussed several issues concerning the costing and rate development employed by Sprint in establishing end user and default query charges. Specifically, we discussed Sprint's costs associated with 1) processor upgrades, 2) installation of LNP equipment, 3) wireless number portability, 4) Operational Support System (OSS) modifications, 5) overheads, and 6) uncollectibles. In addition, we contrasted Sprint's cost characteristics and rate applications with those of other carriers that have filed LNP tariffs.

With respect to processor upgrade costs, we described the arrangement with our switch vendor whereby Sprint pays for upgrades as additional utilization triggers the need for additional processor capacity. We demonstrated how the additional utilization caused by LNP causes the requirement for upgraded processor capacity triggering vendor "pay-points".

~~Mr. [illegible]~~ 071  
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With respect to installation costs, we discussed the methodology by which we developed the installation factor that was applied to LNP investments. We explained that the installation factor was based on the actual installation expenses we have experienced in our LNP implementation projects.

Regarding costs associated with wireless number portability, we explained that implementing the functionality to enable customers to "port" their telephone number from wire-line to wireless and from wireless to wire-line causes significant costs for wire-line carriers such as the Sprint LECs. While the FCC recently delayed wireless number portability from the original deadline of March, 2000 to November, 2002, the obligation remains. We explained that there is no other mechanism available to recover these LNP costs and, therefore, we included the costs in our filing at this time. We also relayed our belief that it is preferable to put these costs in the LNP rate now rather than wait 2 or 3 years.

With regard to OSS costs, we discussed the types of system changes required by the provision of LNP and the linkage of these issues to broader policy goals. For example, we discussed how OSS changes related to 911 systems that are caused by LNP are essential to the development of competition and for CLEC eligibility for universal service support.

With respect to overhead costs, we explained that the methodology we employed to develop LNP overheads was the same as what we employed in developing overhead costs for unbundled network elements (UNE). And in fact, the overhead methodology we used was the same method adopted in a recent state UNE proceeding. We explained our belief that this approach was consistent with the Bureau's direction in the Cost Classification Order, which lists overhead calculations from state UNE pricing decisions as a basis for reasonableness.

Finally, we discussed cost characteristics of Sprint's provision of LNP relative to other carriers. The attached information was supplied to help facilitate this discussion.

In accordance with Section 1.1206(b)(2), the original and one copy of this notice are being submitted to the Secretary of the FCC. If there are any questions, please call.

Sincerely,

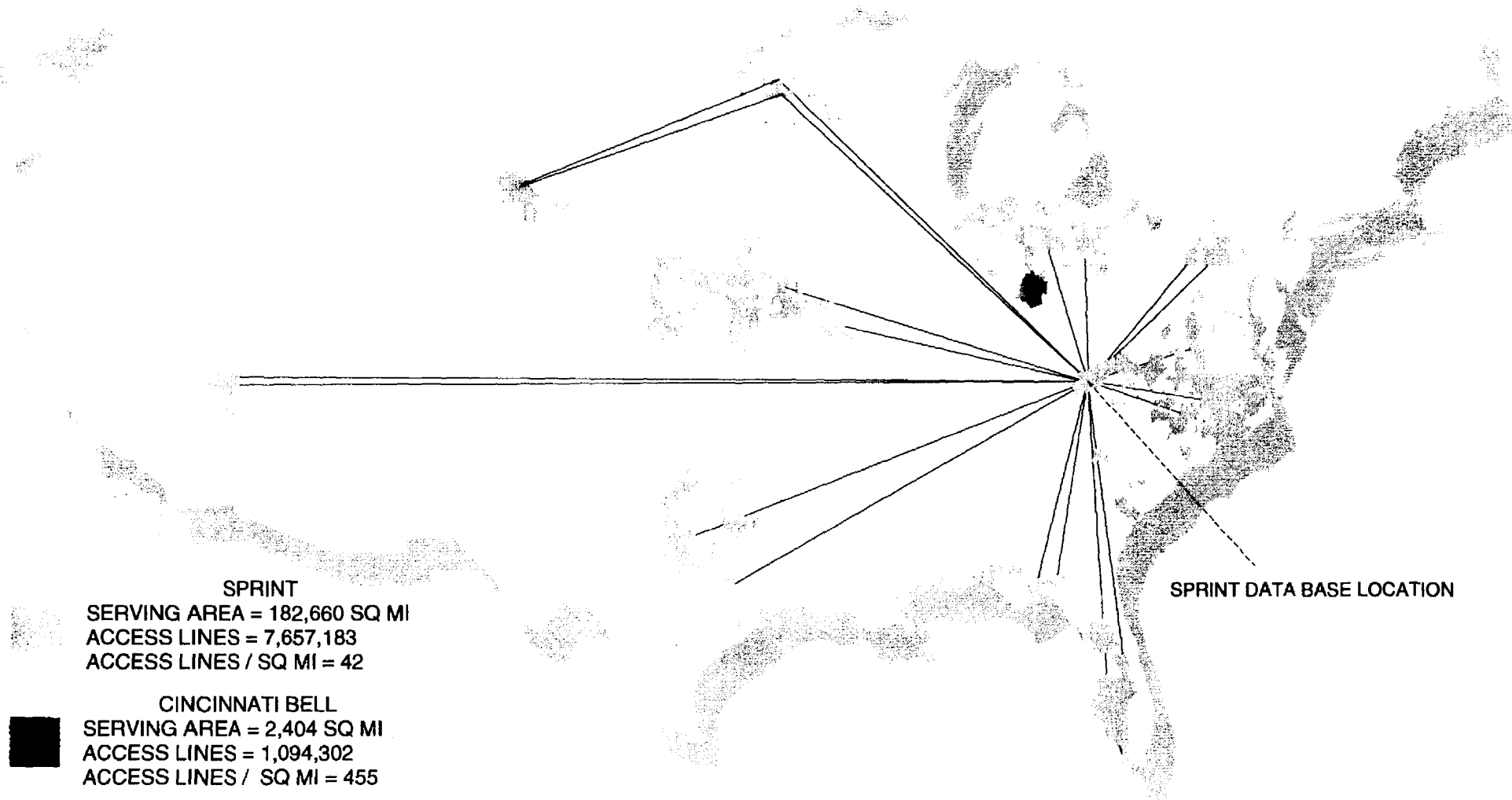
A handwritten signature in dark ink, appearing to read "Pete Sywenki", written over a horizontal line.

Pete Sywenki

Attachment

cc: Jay Atkinson, Chris Barnekov, John Scott, Janet Sievert, Josephine Simmons

# Sprint LTC Serving Areas & SS7 Network



# **Query Rate Comparison Local Number Portability**

A	B	C	D	E
Ln #	Description	Sprint	Pacific Bell	Ameritech
1				
2	LNP Query Charge	\$ 0.008275	\$ 0.000420	\$ 0.003102
3				
4	NRC	N/A	SPNP Query - Prearranged per Order \$69	N/A
5			Billing Charge, Per Bill rendered, Per	
6			Customer \$235.00	
7	Switch Billing Upgrade Identified	Yes	No ?	No ?
8				
9	Transport & Switching for Mis-	Yes	No ?	No ?
10	Directed Calls included in LNP		Performs function to route call to the	
11	Charge		apropriate network switching element.	
12				
13	Query Application	All Tandem and EO Ported	All Tandem and EO Calls	All Tandem and EO Ported
14		Numbers only.		Numbers only.
15				
16	800 Database Query Avg	\$ 0.009847		
17				
18				
19				
20				